

Chico Enterprise Record

Nothing's sacred in budget cutting

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State Senate President Pro Tem Don Perata sent a shiver through California's education community when he questioned the sanctity of Proposition 98.

Not only did the Democrat currently touted to be the second-most powerful politician in the state agree with Republican Gov. Arnold Schwarzenegger, he dared say we may need to alter the constitutional amendment passed by voters in 1988 guaranteeing public schools and community colleges 40 percent of the general fund.

Sacrilege? Perhaps, if you're part of the Education Coalition (teachers unions, PTAs and administrators) that has banded together to protect school funding in what could be a climactic year in the battle of the budget.

Necessary? Absolutely, if we're going to erase the nagging, built-in deficits that annually drain state coffers.

Correcting our sojourn toward insolvency should be our top priority this year. Everything that affects the budget and deficit must be on the bargaining table if we're to permanently erase our \$8 billion shortfall and larger ones in the future.

That's especially true of spending because the governor and just enough lawmakers scorn taxes. The problem is simple economics magnified what you spend can exceed your income for only so long before you must find a way to balance them. It means frugality down the road. That day has come.

What sparked the reaction was Perata's speech to the California Newspaper Publishers Association. Perata said, "Every time we add money to education, we increase the (Proposition 98) base, which means that in down years the only place we can go is to public health care, and so it's a Hobson's choice."

Perata, who taught school for 15 years before entering politics, also noted "there are no good choices" in this year's budget. He sees "disasters at every corner."

"Prop. 98 is gobbling up more and more discretionary funds" because of built-in increases that swell the education portion of the budget even if revenue falls. Other automatic increases enacted by lawmakers and passed by voters as ballot measures add to the problem. We're at the point where education, health and human services, business, transportation and housing are 80 percent of the spending.

(Don't believe those who say the governor's budget proposal cuts money for education. It goes up. How much depends on how you slice and dice the figures. Estimates range from 1.25 percent to 7.1 percent, but it's higher.)

Without raising taxes, balancing income and expenditures gets tougher. When a balanced budget is required, the only remedies are to cut, cut, cut or borrow, borrow, borrow. The state has chosen to borrow. But borrowing means you must wield a sharper ax later.

Because discretionary funds are so limited, Perata said most of the cuts to pay for the automatic increases must come out of health care, nursing homes and social programs the poorest, and least able bear the burden.

And when cuts come, "There is going to be more pain and suffering than we have ever seen before," he said. "Who wants to make a choice between teaching a kid to read and serving an autistic child?" And, "California's infrastructure (roads, water systems, public buildings, etc.) is sagging perilously."

As for the more than \$50 billion we spend on public education, Perata said, Gov. Schwarzenegger is right to ask, "Why isn't the system working?" The quality of California education has gone south since propositions 13 and 98 were passed. We've poured billions into piecemeal improvements and still rank 47th or 48th on almost every national test and measure of educational quality. The system is part of the problem.

Given our limited discretion as to where and how the budget can shrink, every option must be pondered. Even so, budget cuts will be dramatic and affect real people and real lives. We've run out of alternatives.

It means looking at education and Proposition 98 as well as transportation, health care, social services, state departments, bureaucracies, boards and commissions, parks, public safety, pet projects, pensions and every other state expenditure.